

ORDINANCE NO. 024-68

AN ORDINANCE AUTHORIZING
AMENDMENTS TO ELECTRICITY
CONTRACTS WITH DYNEGY
ENERGY SERVICES, LLC AND MP2
ENERGY NE LLC TO EXTEND THE
CONTRACTS FOR ONE YEAR

WHEREAS, The Chicago Transit Authority ("Authority") uses approximately four hundred eighty-three million (483,000,000) kilowatt-hours of electricity per year in the operation of trains ("traction power") and to power its electric buses and various facilities ("non-traction power"); and

WHEREAS, The Authority's annual expenditure for electricity is approximately Fifty Million Dollars (\$50,000,000.00); and

WHEREAS, The Authority may obtain significant cost savings and increased budgeting accuracy by entering into agreements that may provide pricing for all or a portion of the Authority's electricity needs based on index-pricing, load-following block pricing, volume block pricing, or a combination thereof with a responsible third-party electricity supplier; and

WHEREAS, Pursuant to Ordinance No. 018-78, the Authority executed contracts with Dynegy Energy Services, LLC ("Dynegy") and MP2 Energy NE LLC ("MP2") under Requisition No. B18OP3436 to supply electricity (the "Electricity Contracts"); and

WHEREAS, Ordinance No. 018-78 provided for a base term of three (3) years with two (2) one (1) year options or one (1) two (2) year option, and the Authority exercised the two option years; and

WHEREAS, Pursuant to Ordinance No. 024-6, the Authority issued a Request for Proposals ("RFP") to identify new responsible third-party electricity suppliers that can fulfill the Authority's electricity needs starting in 2025; and

WHEREAS, ICC-approved electricity suppliers have been unable to secure the data needed to submit bids from the electricity delivery utility company, ComEd, causing uncertainty in the Authority's ability to complete the RFP process on a timely basis for purchasing electricity needed for the 2025 calendar year; and

WHEREAS, Staff recommends that the Board authorize one-year extensions of the current electricity contracts to allow flexibility in purchasing the electricity needed for 2025 based on its determination of the best interests of the Authority, either as an extension on the current contracts or an award of a new contract or contracts following the completion of the RFP; and

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WHEREAS, Staff recommends that the Board authorize amendments to the Electricity Contracts to add an additional one (1) year option to extend the end date of each contract from December 31, 2024 to December 31, 2025, and that the Board authorize the execution of the options; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chicago Transit Board hereby authorizes the Chairman of the Board, the Treasurer of the Authority, or their designees to execute amendments to the current Electricity Contracts with Dynegy Energy Services, LLC and MP2 Energy NE, LLC to supply electricity to add an additional one (1) year option to each contract to extend the end date of the contracts from December 31, 2024 to December 31, 2025, substantially in conformance with the Amendment with Dynegy attached as Exhibit A hereto and the Amendment with MP2 attached as Exhibit B hereto.

SECTION 2. The Board further authorizes the Treasurer, or designee, to execute the additional one (1) year options to extend with Dynegy and MP2.

SECTION 3. If the amendments and options are executed, the authority granted by Ordinance No. 024-6 to enter into a new electricity contract will remain in effect but the term will commence in 2026 instead of 2025.

SECTION 4. The Chairman, or designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 5. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Secretary

June 25, 2024

June 25, 2024